

# **Destination Data Improvements Initiative**

By  
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U.S. Department of Commerce  
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## **Issue**

With increased investment by destinations and industry into the international marketplace, there is mounting need for U.S. destinations to be able to confidently and accurately “count” international visitors to their destination(s).

## **Objective**

To identify ways to improve volume data for international travelers to U.S. destinations by country of residence in an accurate, consistent, timely and comprehensive process.

## **Background**

### International Travel and Tourism Impact:

Global tourism is estimated to be the world’s largest industry. Global receipts are expected to grow from \$445 billion in 1998 to \$1.55 trillion by 2010, a 248% increase. In 1998, overseas travel to the United States was 23.7 million, a 57% increase since 1990. In 1998, travel and tourism was the third largest export for the United States. Tourism Industries estimates international travel to the U.S. to increase by 18 % by 2003.

### Destination and Industry Needs:

In October of 1995, at the White House Conference on Travel and Tourism more than 1,500 U.S. delegates unanimously agreed that the industry and government must seek out improved accountability for tourism statistics. One key need expressed was to more effectively collect visitation estimates at the destination level, specifically the state and city level.

This Initiative, in part, is intended to clarify the specific need for “counting” international visitation at the destination level.

International visitor independence has increased the difficulty of “counting” visitors for U.S. destination managers and the current national system. In 1998 nearly 80% of all overseas visitors to the U.S. traveled to the U.S. independently, with only 20% coming on a prepaid package. Other international visitor characteristic changes such as an increase in repeat visitors, average number of states visited, and growing interest in new destinations have also contributed to the challenge for destination managers to track and count international visitor volume to their destination.

More destinations are investing in international visitors. According to a 1998 study conducted by the Travel Industry Association of America (TIA), state tourism offices spent 47% more on international advertising/promotion than in 1997.

Volume counts are difficult due to the fact that travel and tourism is a service industry, and like many service industries it is a composite industry - made up of many small and medium size businesses that are considered to be part of the tourism industry but not necessarily exclusive to it. The structure of tourism is also different from other industry sectors. Tourism is driven by destination partnerships, which are usually led by a government or quasi government representative of the whole destination. This usually falls into the role of a state tourism office or city convention and visitors bureau.

This unique industry structure works well in leveraging resources to better market to international visitors, but hinders accountability and volume counts. There are some businesses that are able to account for visitation at the business level, such as major attractions, hotels, car rental companies, etc.

These businesses, however, only make up part of the visitor experience. For example, through their own market research program, Alamo Car Rental in Florida can account for the number of customers who are from Brazil (residency). However, the state of Florida and many of the cities who also promote the overall destination have no direct means of “counting” international visitors by residency to their destination. Additionally, the visitor can travel to multiple states, cities and towns without easily being tracked. Florida, of course, is not unique to this situation as most destinations do not have an accurate, consistent way of gathering volume to their destinations by most countries.

### Current Destination Volume Data Collection System:

The Tourism Industries office in the U.S. Department of Commerce, International Trade Administration, has several programs that count visitation to the U.S. by country of residency (see chart 1 and chart 2).

These core programs focus on counts by residency. The residency of the traveler is vital for marketing purposes as well as understanding the trade balance. Reporting arrivals by residency reflects compliance with the UN/WTO standard definitions and classifications. The Tourism Industries office programs ensure that the Bureau of Economic Analysis (BEA) has a mechanism for tracking the U.S. travel trade receipts and payments for the trade balance.

These same resources help provide destination visitation data on an annual basis for some states and cities by some origin countries. In 1998 over 46 state tourism offices promoted internationally. According to a TIA study and Tourism Industries current programs can not fully and consistently provide all states with visitor volume counts by all countries. This is in part due to funding, but, it is also a function of a need to improve and advance a system that was originally intended for tracking national visitation.

Over the life of the DOC programs substantial efforts by Tourism Industries office have been focused on improving the core U.S. international statistical programs and will continue. However, these programs are limited in providing the growing need for country level destination volume counts for many destinations.

In many cases, this leaves the leading tourism development and promoters (state and city DMO's) without the most basic key information - how many visitors from Japan actually came to their destination.

A visitor volume "count" is the basic ingredient for all measurements in this service industry. Just imagine if an automobile manufacturer could not tell how many cars were sold in Japan or if a store in Vermont did not know how many widgets were shipped and sold in Germany. That is the case for many U.S. destination organizations. It is, of course, much easier to track widgets shipped and sold than to track a German visitor that entered the U.S. in New York city, then visited Vermont, and then Boston and finally re-visited New York before going home.

With all of these considerations and, as initially stated, recognizing the growth in the number of states and cities involved in international tourism, the Tourism Industries office has established and committed to this critical Initiative in 1999.

A national comprehensive program must be established in order to provide the nation's policy makers, industry leaders and destination managers with the proper, most basic information - visitor volume counts by country of residency for destinations.

Tourism Industries feels that there are many possible solutions including new technology. The following steps outline how Tourism Industries intends to focus this Initiative.

## **Initiative Steps**

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| Step I.   | Commit to Destination Data Improvement Initiative.  |
| Step II.  | Conduct needs assessment.                           |
| Step III. | Investigate and Report on Options for Improvements. |
| Step IV.  | Implementation of Recommendations for Improvements. |

### Step I. Commit to Destination Data Improvement Initiative:

In the first week of May during National Tourism Week, Tourism Industries first announced its commitment to this Initiative in a press release by the Secretary of Commerce, William Daley.

Subsequent commitment is reflected by this paper. More importantly, initial funding has been set aside by the office to help launch the Initiative, as steps II and III will require external professional assistance.

### Step II. Conduct Needs Assessment:

The goal of the Needs Assessment is two fold: first, to clearly identify the degree of need among the states and cities for better volume data and; second, the reasons for the need, be it budgetary, promotional, evaluation standards, investment issues, etc.

The Needs Assessment will focus on destination management organizations (U.S. state, territory and city CVB's). DMO's are the umbrella promotion organizations which have the most impact, yet due to the cooperative nature of their promotion, as mentioned above, most need a

comprehensive system for “counting” international visitation.

To accomplish this Step II, Tourism Industries will seek out a contracted partner willing to conduct an industry assessment. Tourism Industries will assist the partner in designing the questions, implementing the self assessment, and analyzing the reports in order to qualify subsequent steps.

Example questions:

1. How will your destination managers and/or policymakers utilize volume data by country of residence to:

- a. Expand or adjust export efforts?
- b. Improve small and medium size business access?

2. How critical is it to have destination volume figures by country of residence to your destination for the following:

- a. Investment decision making
- b. Accountability for destination advertising and promotion programs
- c. Assessing economic impact
- d. Determining return on investment

### Step III. Investigate and Report on Options and Improvements.

Based on the Needs Assessment, the contracted partner will work with Tourism Industries to conduct an independent investigation on the many alternatives for a comprehensive collection system. This will include assessing existing programs such as the Survey of International Air Travelers, the Statistics Canada programs and the Banco de Mexico and other programs which make

up the current U.S. international statistical system.

The investigation will include both government programs, private research firms, current destination programs, and tourism industry sectors and association collection programs.

Examples include:

U.S. Federal Government Programs:

1. Commerce - Census - (Census of Transportation, U.S. Vessel Clearance, Vessel Entrances, U.S. Exports of Foreign Merchandise).
2. Department of Transportation - Form 41, Origin and Destination data base, and T-100 form.
3. Treasury Department - U.S. Customs Service, Customs Declaration Form.
4. U.S. Department of Justice, Immigration and naturalization Service - I-94 and I-92 forms.
5. State Tourism Offices and City CVB international visitor volume count programs, i.e. visitor centers, trade partners (airlines, tour wholesalers, receptive operators), contracts with research firms, phone inquiry programs, advertising ROI programs, etc.

Sector specific data collection programs:

- Car Rental data collection programs
- Hotel data collection programs
- Airline data collection programs
- Others to be identified

Private Sector Research Programs:

- IPK

- Davidson-Peterson Assoc., Inc.
- International Air Transport Assoc. Survey
- Menlo Consulting Group
- Plog Research Inc.
- DK Shifflet
- TIA (Travel Data Center)
- Conference Board of Canada and CTRI
- Other national and global survey programs.

University and Not for Profit Independent Research Programs will also be investigated.

After identifying the options, the contracted partner and Tourism Industries will work to assess all of the collection programs to determine if they can be used in part as a national comprehensive destination volume count for international visitors by country of residence. Those entities which show potential will be more thoroughly asked to describe:

1. The collection process - what is collected, how is it collected, timing, etc.
2. The utility of the program for destination visitation data.
3. How their program might be adjusted, if necessary, to account for destination volume counts by country of residence.
4. Policy and political obstacles related to modifying using the program for destination volume counts.
5. Potential logistical obstacles related to modifying or using the program for destination volume counts.
6. Potential of new technological tools that might be used to more effectively collect the current data and potential destination volume counts.

7. Costs associated with adjusting the collection programs to provide better volume data.

A report with preliminary options and recommendations will be presented for review and commentary. Those agencies and/or entities which have been identified as an option for improving the destination volume data will work together toward a consensus of recommendations for implementing a program of improved destination volume data.

#### Step IV. Implementation of Recommendations and Improvements.

Following the consensus of recommendations, Tourism Industries will seek partners to implement the recommendations. These partnerships will involve other federal government agencies, and/or destinations and other private and not for profit travel and tourism related entities which may have been identified in step III.

#### Schedule:

At this time, no budget has been approved for DOC, so the timeline could be affected. A statement of work will be submitted in November. By the beginning of the new calendar year a contracted partner should be selected. By early Spring a report should be issued with recommendations for commentary (Step III). Step IV should be accomplished by the end of summer to enable the start of 2001 with a new collection and/or measurement system for the "volume" counts of international travel to destinations.